

Fiscal Note

Fiscal Services Division



HF 603 – Eminent Domain Omnibus (LSB 1659HV)
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Fiscal Note Version – New

Description

House File 603 makes changes related to acquisition of property using eminent domain as outlined in Code Chapters 6A and 6B.

Background

Eminent domain is used to obtain private land for public projects such as highways, utilities, or sewer systems.

Assumptions

The following changes in the Bill could result in a fiscal impact:

- The authorization by the Governor for private property condemnations by the State that exceed 500 acres would increase the time needed to negotiate an eminent domain project.
- The addition of members from contiguous counties for County Compensation Commissions and the requirement they meet in open sessions may increase the time needed to negotiate an eminent domain project.
- The authorization by vote of two-thirds of each chamber in the General Assembly and the Governor's signature to condemn property on the State Register of Historic Places may increase the time for negotiating an eminent domain project.
- Prohibits the Department of Natural Resources (DNR) from using eminent domain to obtain property from willing sellers. This change will eliminate the ability of willing sellers to defer payment of federal capital gains tax under Internal Revenue Code Section 1033.
- Payment to a person or a business if relocation is not economically feasible will increase costs for an eminent domain project.
- Reimbursement to the landowner for attorney fees up to \$100,000 for a lake creation project that uses condemnation would increase costs for an eminent domain project.

Fiscal Impact

The fiscal impact cannot be determined because the number of future eminent domain projects is unknown. However, the changes in the Bill could increase the costs for property acquisition.

Sources

Department of Cultural Affairs
Department of Natural Resources
Department of Transportation
Iowa State Association of Counties

/s/ Holly M. Lyons

March 22, 2011

The fiscal note for this bill was prepared pursuant to **Joint Rule 17** and the correctional and minority impact statements were prepared pursuant to Code **Section 2.56**. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
